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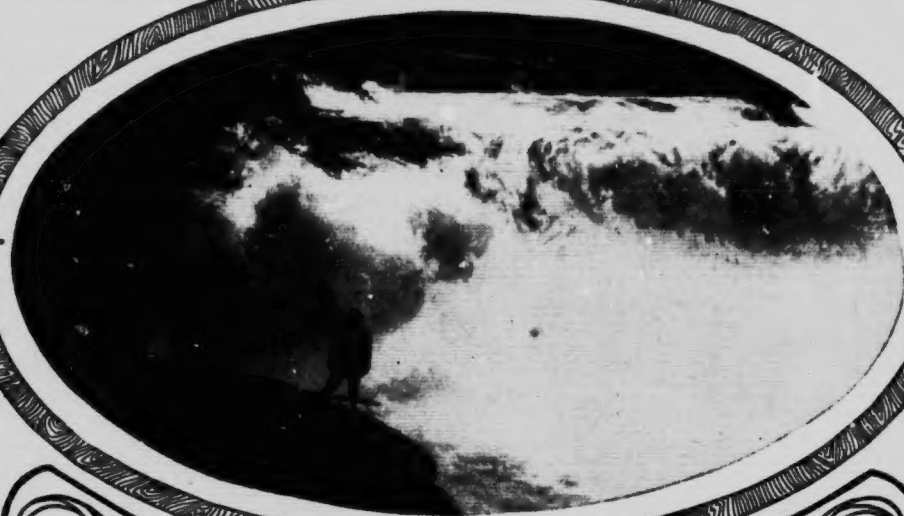
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SURF INLET GOLD MINES ^{LTD}

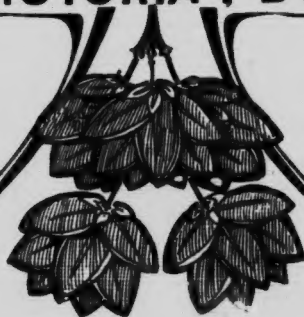
PROSPECTUS

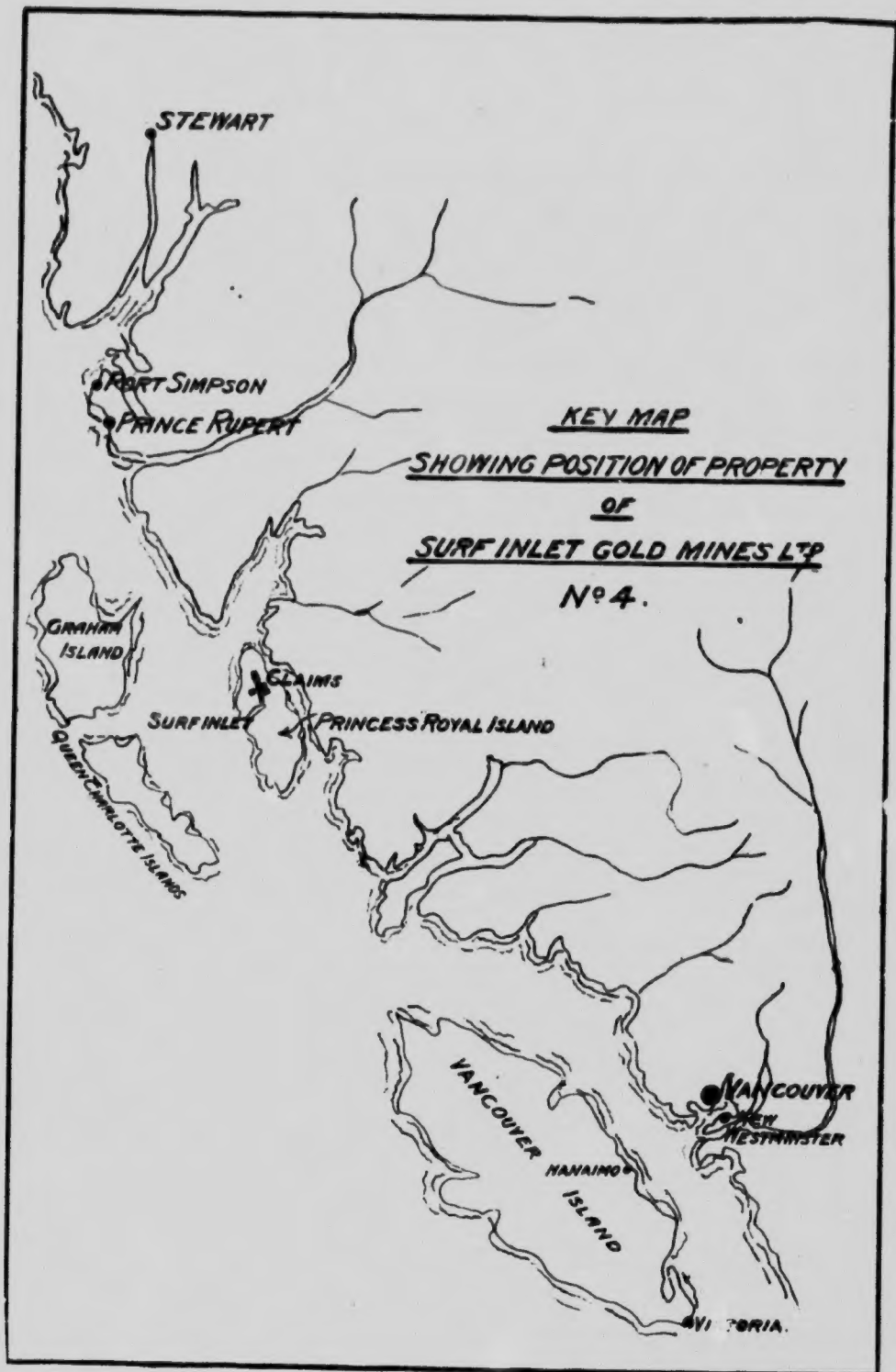
NOMINAL CAPITAL \$1,000,000.00
PAR VALUE \$100 PER. SHARE



POWER CONTROLLED BY COMPANY

A COPY OF THIS PROSPECTUS
HAS BEEN FILED WITH THE REGISTRAR
OF JOINT STOCK COMPANIES
VICTORIA, B. C.





The Surf Inlet Gold Mines Limited

(NON-PERSONAL LIABILITY)

PROSPECTUS

CAPITAL - \$1,000,000

PAR VALUE: \$1.00 PER SHARE

NON-ASSESSABLE

Directors:

LIEUT. COL. J. DUFF STUART, President. Vancouver, B. C.
Vice-President The Clarke & Stuart Co., Ltd., Wholesale Stationers
W. B. BURNETT, B.A., M.D., Vice-President Vancouver, B. C.
Physician and Surgeon
A. H. WALLBRIDGE, Treasurer Vancouver, B. C.
Director Vancouver Trust Co.
A. B. CLABON, Secretary Vancouver, B. C.
Mining Operator
JONATHAN ROGERS, Alderman Vancouver, B. C.
President British Columbia Life Insurance Co.

Treasurer:

A. H. WALLBRIDGE

Solicitors:

MESSRS. MACNEILL, BIRD, MACDONALD & BAYFIELD

Bankers:

BANK OF NOVA SCOTIA

Auditors:

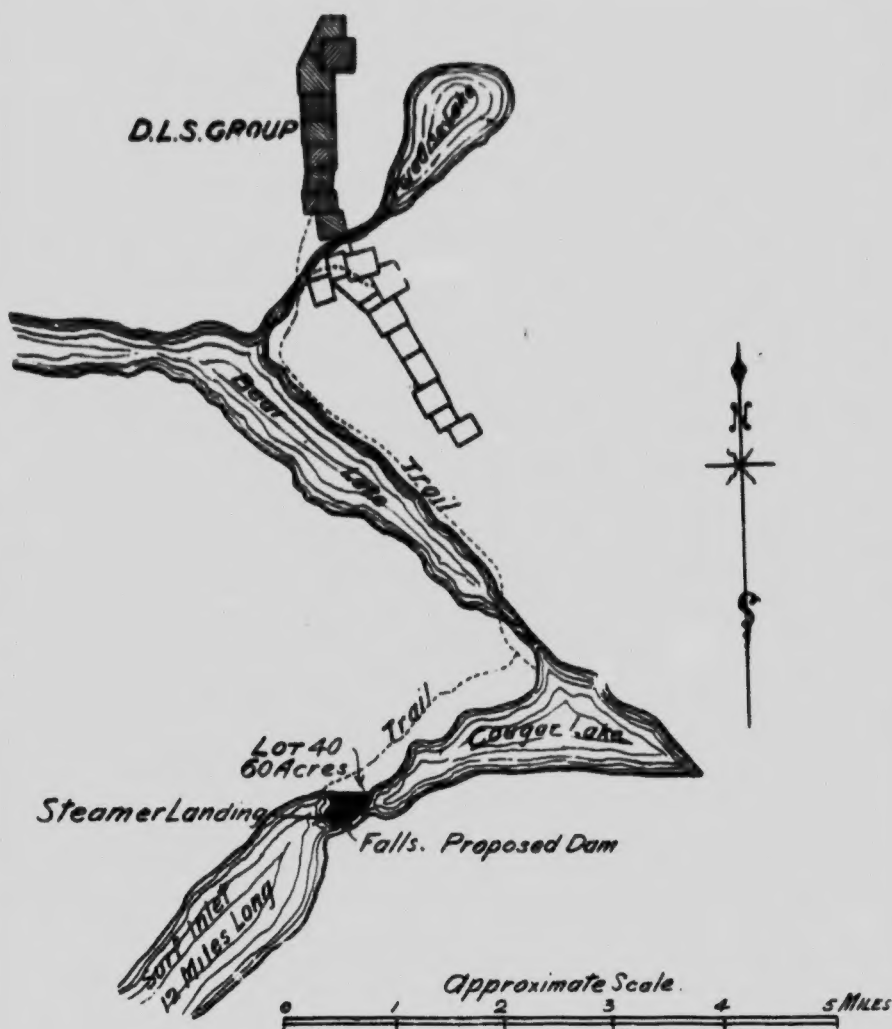
RIDDELL, STEAD, HODGES & WINTERS

Office:

206 Bank of Ottawa Building,
VANCOUVER, B. C.

A copy of this Prospectus has been filed with the Registrar of Joint Stock Companies,
Victoria, B. C.

D.L.S. GROUP PRINCESS ROYAL ISLAND
OWNED BY SURF INLET GOLD MINES L^{TD}
Sketch Showing Relative
Position of Claims and Salt Water.
Nº 1



Surf Inlet Gold Mines, Limited

(NON-PERSONAL LIABILITY)

AUTHORIZED CAPITAL	\$1,000,000
Treasury Shares	\$350,000
Par Value, \$1.00 per Share	Non-Assessable

PROSPECTUS

The property of the Surf Inlet Gold Mines, Limited, consists of the D.L.S. Group of nine mineral claims, sixty acres of land, and all the interests of the Surf Inlet Power Co., all of which are situated at or near Surf Inlet, Princess Royal Island, B. C.

1. The nine claims "D. L. S.," "Lake Fraction," "Gulch," "Bluff," "Bench," "Uta Fraction," "Mountain Fraction," "Twin Peaks," "La Quivree," are all Crown granted and embrace 383 acres of mineral land, as shown on Map No. 2, and are situated about six miles from the head of Surf Inlet.

2. The sixty acres of land situated at the head of Surf Inlet is Crown granted (Map No. 1), and includes the buildings at the landing.

The Surf Inlet Gold Mines, Limited, are the registered owners of the aforesaid mining properties and land, free from encumbrance.

3. All the interest of the Surf Inlet Power Co., consisting of a 10,000-inch record at Surf Inlet Falls, situated near the landing at the head of Surf Inlet has been acquired by this Company.

The capital required to place the property on a self-sustaining basis will be secured by the sale of such portion of the remaining 350,000 shares; these shares having been placed in the treasury for this purpose.

All stock outside the treasury is pooled until 1st October, 1912, unless otherwise decided by the Directors, the Vancouver Trust Company acting as trustees.

Three reports are included in the Prospectus, two by the manager, Mr. Fred M. Wells, a practical and conservative mining engineer, the other by Mr. Andrew G. Larson, who for a number of years was superintendent of the Le Roi mine, and has had many years practical experience, and whose reputation as a mining engineer is of the highest.

Two well defined veins have been opened up and partially explored.

On the Upper or west vein a tunnel has been run for 150 feet paralleling the vein for some distance. At a hundred feet a crosscut was made crossing

the vein, showing it to be 4 feet in width at this point, and assaying over \$30.00 per ton in gold. The tunnel was continued for another 50 feet and the face is in ore.

Three (3) tons were shipped from the surface entrance to this tunnel by the former owners, the smelter returns of which were \$68.00 per ton. A vein about eighteen inches (18") in width was passed through in the cross-cut before reaching the main vein, which assayed \$100.00 per ton. This lead has not been prospected, but is well worthy of attention.

On the Lower or east vein a tunnel has been run for 375 feet. The fifty feet of ore mentioned in Mr. Wells' last report, averaging \$40.00 per ton for the full width of the drift and at a depth of 250 feet is an especially good showing, and insures large returns when the plant is in operation.

In addition to the tunnels with their crosscuts, etc., a shaft has been sunk on the east vein to a depth of 50 feet, following the footwall, and at the bottom the ore was crosscut, the lead here being eighteen feet (18') wide, all in pay ore.

A copy of a number of assays made by Mr. J. O'Sullivan, F.C.S., are shown in this prospectus.

We have been conversant with the work as it proceeded, the results obtained and the reports of careful engineers convince us that we have a valuable property, and that when a mill is installed, with the low cost of power and favorable conditions for mining, large profits will be made.

It is the intention to develop the power, put in machinery and erect a mill as soon as the further development recommended by our engineers has been completed.

This Company has been formed for the purposes set forth in its Memorandum of Association which is here reproduced, with the names, descriptions and addresses of the signatories, and the number of shares subscribed for by them respectively in accordance with the Statute.

The Articles of Association do not prescribe the qualifications for Directors.

The Articles contain the following provision as to remuneration of Directors:—

(7) No Director shall be disqualified by his office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any Director so contracting be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, provided the nature of his interest be disclosed by him at the meeting of Directors at which the contract or arrangement is determined, and that no Director shall, as a Director, vote in respect of any contract or arrangement in which he is so interested as aforesaid, and if he do vote his vote, except as aforesaid, shall not be counted. No Director shall be disqualified by reason of his holding any other office or place of profit under the Company, provided the same is held with the sanction of the other Directors.

The names, descriptions and addresses of the Directors are as follows:—

A. H. Wallbridge, Sales Manager, Vancouver, B. C.

W. B. Burnett, Physician, Vancouver, B. C.

J. Duff Stuart, Merchant, Vancouver, B. C.

Jonathan Rogers, Capitalist, Vancouver, B. C.

Arthur B. Clabon, Broker, Vancouver, B. C.

The minimum subscription on which the Directors may proceed to allotment and the amount payable on the application on allotment on each share is set forth in paragraph 6 of the Memorandum of Association, which is reproduced herewith.

The number of shares which have been issued or agreed to be issued as fully paid up otherwise than in cash is 650,000 shares.

The names and addresses of the vendors of the property acquired by the Company are the following:—

Ernest A. Cleveland, Surveyor, Vancouver, B. C.

Arthur B. Clabon, Broker, Vancouver, B. C.

Fred. M. Wells, Mining Engineer, Vancouver, B. C.

By agreement dated the 15th day of April, A.D. 1910, between Ernest A. Cleveland, and the said Arthur B. Clabon, and Fred. Marshall Wells, Mining Engineer, of the other part, it was provided that the said Ernest A. Cleveland would give an option to the said Arthur B. Clabon and the said Fred. Marshall Wells to purchase the following mining properties:—

The D.L.S. Group of nine Crown granted mineral claims, 60 acres of land and all the interests of the Surf Inlet Power Co., all of which are situated at or near Surf Inlet, Princess Royal Island, B. C., as described on page three.

It was in the said agreement provided that the purchase money for the property should be the sum of \$40,000.00, and in addition thereto 50,000 shares of the capital stock of a company to be organized for the purpose of developing and operating the above-mentioned mining property, and of which the capital stock should not exceed 1,000,000 shares of a par value of \$1.00 each, non-assessable, of which not less than 350,000 shares should be treasury stock, the proceeds of which are to be used in the development of the said property.

By letter dated 30th May, 1910, the said Ernest A. Cleveland agreed with the said Arthur B. Clabon and F. Marshall Wells to immediately, on the Company referred to in the said agreement being incorporated, transfer to the said Company the title to the said mineral lands and properties upon 650,000 shares of the capital stock of the Company being delivered to him, and that upon payment of the \$40,000 named in the agreement of April 15th he would transfer to said Clabon and Wells, or their nominees, 600,000 shares.

A certificate for 650,000 shares was issued in favor of the said Ernest A. Cleveland and he has by absolute conveyance conveyed all the said mining properties to the Company and the Company are now the registered owners free of encumbrance.

The provisions of the said agreements have been complied with.

No sum is payable for good will.

The material contracts are the following:—

(1) 15th April, 1910, between Ernest A. Cleveland and Arthur B. Clabon and Fred. Marshall Wells.

(2) 30th May, 1910, letter E. A. Cleveland to A. B. Clabon and F. M. Wells.

(3) 4th October, 1910, letter E. A. Cleveland to A. B. Clabon and F. M. Wells.

(4) 3rd November, 1910, letter E. A. Cleveland to W. L. Germaine, British American Trust Company, Limited.

All the title papers and contracts have been prepared by Messrs. MacNeill, Bird, Macdonald & Bayfield, Barristers and Solicitors, 619 Granville Street, Vancouver, B. C., and may be inspected there on any day during office hours.

Other than the said Arthur B. Clabon, none of the Directors are in any way interested in the promotion of or in the property acquired by the Company. The interest of the said Arthur B. Clabon has been referred to and consists in the option which he, together with Fred. Marshall Wells, obtained from Mr. Ernest A. Cleveland.

The officers of the Company, whose addresses are given above, are as follows:—

President, Lieut.-Col. J. Duff Stuart

Vice-President, Dr. W. B. Burnett

Secretary, A. B. Clabon

DIRECTORS

A. H. Wallbridge.

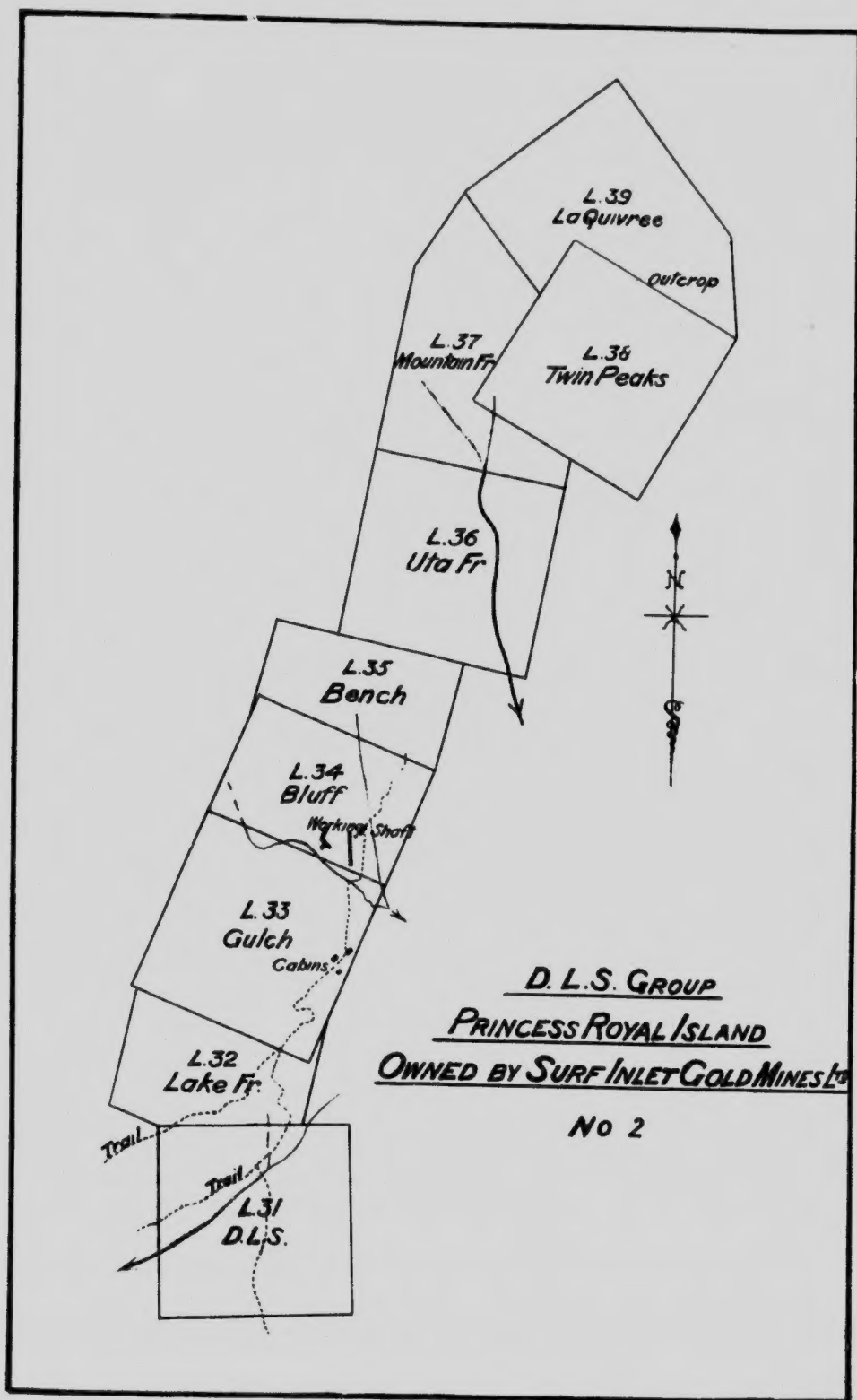
W. B. Burnett

J. Duff Stuart.

Jonathan Rogers.

Arthur B. Clabon.

This Prospectus is issued and dated the 10th day of November, 1911.



THE COMPANIES ACT, 1910.

Memorandum of Association

OF

THE SURF INLET GOLD MINES, Limited

(NON-PERSONAL LIABILITY)

1. The name of the Company is the "SURF INLET GOLD MINES, LIMITED" (non-personal liability).

2. The registered office of the Company will be situate at the City of Vancouver, in the Province of British Columbia.

3. The objects for which the Company is formed are the acquiring, managing, developing, working and selling mines, mineral claims and mining properties and the winning, getting, treating, refining and marketing of mineral therefrom.

4. The liability of the members is limited. No liability beyond the amount actually paid upon shares or stock in the Company by the subscribers thereto or holders thereof shall attach to such subscriber or holder, it being desired that the Company shall be specially limited under Section 131 of the Companies Act, 1910.

5. The nominal share capital of the Company is \$1,000,000.00 divided into 1,000,000 shares of \$1.00 each, with power to increase and divide the shares and the capital for the time being (original or increased) into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as to payments of dividends, distribution of assets, voting or otherwise howsoever.

6. No allotment shall be made of any shares in the capital of the Company offered to the public for subscription unless the minimum subscription of five shares payable as to the whole amount thereof in cash shall have been first subscribed, and not less than twenty-five per cent. of the nominal amount of such shares payable on application has been paid to and received by the Company in respect thereof.

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

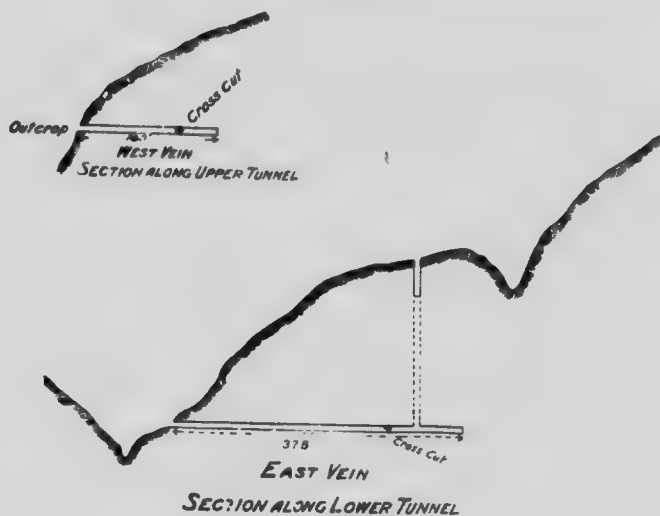
Names and Addresses of Subscribers	Number of Shares Taken by each Subscriber.
1. FRANK J. BAYFIELD, Barrister-at-law 1154 Robson Street, Vancouver, B.C.	1
2. DANIEL G. CAMPBELL, Student-at-law 619 Granville Street, Vancouver, B.C.	1
3. T. PERCY ELDER, Student-at-law 619 Granville Street, Vancouver, B.C.	1
4. JOSEPH EDWARD BIRD, Barrister 619 Granville Street, Vancouver, B.C.	1
5. LILLIAN COTTAM, Stenographer 842 Burrard Street, Vancouver, B.C.	1
Total Number of Shares Taken	5

Dated this sixth day of September, A. D. 1910.

WITNESS to the above signatures:

H. J. BETHELL.

WORKINGS ON D.L.S. GROUP
OWNED BY SURF INLET GOLD MINES LTD
Nº 3



REPORT

ON

D. L. S. GROUP OF CLAIMS

BY FRED. M. WELLS

THE SURF INLET GOLD MINES, LIMITED

I have visited the D. L. S. group of mineral claims owned by your Company several times and have become well acquainted with the property.

The D. L. S. group of mineral claims is located on Princess Royal Island, which is situate on the British Columbia coast, and about 450 miles from Vancouver city. It lies close in to the mainland, being separated by a narrow channel which is taken by the Alaska and other coast steamers.

The island is about 75 miles in length and from 20 to 25 miles in width, and is composed of one mass of high and rugged mountains. Its shoreline is indented with numerous deep and narrow inlets, cutting at times nearly to the center of the island. These inlets are of great service to transportation, as the largest steamboats can run safely to the very heads.

Through the island, in the gorge-like valleys, there are many fresh water lakes, which will further assist in the transportation for the mines being developed.

The D. L. S. group of claims is situate near the central part of the island, and is approached, as seen on accompanying sketch (Map No. 1), by way of lakes from the head of Surf Inlet, a deep arm of the sea about 12 miles in length cutting in from the west coast, and a total distance of six miles from salt water.

THE PROPERTY.—(1) The property consists of nine (9) Crown granted claims, as follows: D. L. S., Lake Fraction, Gulch, Bluff, Bench, Uta Fraction, Mountain Fraction, Twin Peaks and LaQuivree, as shown on Sketch Map No. 2, and in all 383 acres of mineral land.

(2) Sixty acres of Crown granted land, shown in Sketch Map No. 1, including the steamboat landing at Surf Inlet, together with buildings, etc.

(3) The stock and property of the Surf Inlet Power Co., which controls the power of a fine falls also at Surf Inlet, which is shown by photograph.

GEOLOGY.—The central portion of the island is made up of massive dark granites which have broken through the overlying sediments. The remains of these sedimentary formations can be seen on the west coast, reaching close in to the head of Surf Inlet, and other places not far from these claims.

These sediments contain many lime beds, and are often cut by intrusions of granite and other eruptive rocks, suggesting that the volcanic activity of these islands has extended over a great length of time.

VEINS.—Along the course of the D. L. S. group and adjoining claims, there has been a severe fracturing of the granite running in a north and south direction for several miles. Some shearing movement has taken place later, and two approximately parallel veins have been formed. These veins contain the ore bodies of the mineral belt, and vary from a few inches up to several feet in width. Timber and wash covers quite a portion of the surface, but from my examinations it is plain that some quartz is generally present in one of the fissures, and in many places there are two parallel chutes from 100 to 200 feet apart.

The usual width of outcrop is from 18 inches to 4 feet, but on the D. L. S. group the vein is much stronger, showing a width of from 6 to 12 feet where exposed.

The character of the ore is quartz, with iron pyrites carrying gold with a small amount of silver.

The D. L. S. claims cover the course of the veins for a distance of over 6,000 feet. The main showing has been developed on the Bluff claim, which holds a central position in the group.

DEVELOPMENT.—At this place both veins are crossed by a small creek, which has cut from 50 to 100 feet deep, exposing the veins to that depth. The first vein reached in the gulch is known as the East vein, and the second, which is about 200 feet further up the gulch, is called the West vein. All the development on the property has been done at this point, and with the exception of one 60-foot shaft, is done by tunneling in on the veins from this gulch. These works are all shown on Plan No. 3. The work has been well done, every foot of which will be used in the further development or working of the mine.

On the East vein a tunnel called No. 2 has been driven for a distance of 300 feet following the vein, gaining a depth on the vein of over 250 feet. A shaft has been sunk from the surface over the tunnel, where the vein was 12 feet wide, following the foot wall for a distance of 60 feet. A crosscut at the bottom to the hanging wall shows the vein to be 18 feet wide, gaining 6 feet. The distance from the bottom of the shaft to the tunnel below is 205 feet, following incline of vein, which is about 45°.

On the surface where exposed this vein shows from 6 to 12 feet of quartz, and in the tunnel, while the vein at one point narrows to 4 feet, for the greater part it is wider than the tunnel, which means over 6 feet of quartz.

The vein for some distance in the tunnel gives gold values of from \$4 to \$8 with a width of 5 to 6 feet, but recent development has shown the existence of a large body of higher grade ore. On my first examination of the property it was shown that along the central portion of this 300-foot tunnel the vein was very wide, as for some distance no wall was exposed on either side. The sampling also showed higher values throughout this section.

At a point where these good values were obtained and about 175 feet from the mouth of tunnel a cross-cut was run to prove width of vein. The cut was run from the footwall side toward the hanging wall and has crossed 15 feet of clean quartz and iron, which by careful sampling gives a general average of \$15.00 in gold.

While the vein is very large throughout that part, the walls are free and smooth with heavy gouge, representing a most perfect type of fissure vein, and giving every assurance of continuing down to great depth. The length of the better grade ore chutes has not been determined yet, but sufficient is known to justify me in expressing the opinion that the bodies are extensive, and when fully developed will yield a large tonnage of ore.

A winze is now being sunk on this ore body from the floor of the cross-cut. On my last visit to the property the first few feet in depth had been attained. Samples taken from bottom of winze gave similar gold values as in cross-cut. Considering the fact that this ore body is already 250 feet below the surface, the results of the winze, which is following the ore still deeper, will be very interesting, and as I have expressed myself above I fully expect the good ore to continue.

The assay value of the ore in the 60-foot shaft above tunnel runs from \$10 to \$15 gold. Assays on samples on surface show the value to run from \$6 to \$8 in gold.

The West vein crosses the gulch about 200 feet further up than the East vein just described. This vein has been developed by a tunnel 140 feet in length. It was the intention to follow the vein with the tunnel, but because of some irregular quartz the tunnel was carried some distance to the right into the footwall under the lead. This became apparent in about 50 feet and the course was changed to the left, assuming a real cross-cut back to the vein. Near this point a vein about 12 inches wide was crossed, heavy in iron, and a few feet further the real vein was crossed, showing 4 feet of quartz. The vein was then drifted on for 40 feet, continuing in quartz to the face, where the ore body is fully 6 feet wide.

The West vein is of special interest because of the remarkably high gold values and the fine character of the ore. The vein shows good strength, varying in width from 4 to 6 feet. A careful sampling of the vein where cross-cut gives an average of \$40 in gold. The small vein cut in the tunnel assays over \$100 in gold alone.

FUTURE OF MINE.—With the ore bodies already developed in the two veins just described, a property of great value is assured. In the East vein, above the 300-foot tunnel, there is at present a large amount of ore which can be mined at a profit. The great strength of this vein, as proven by the tunnel, is ample assurance that the ore will continue in depth.

The ore bodies in the West vein have the same assurance of permanency; and, with its high gold contents, will in itself be very valuable.

The development and mining of this vein will be made easy by cross-cutting from the works of the East vein, which is lower down the hill, and extracting the ore through these workings.

The present lower tunnel is 800 feet above the creek, and the hillside is very steep, giving an opportunity to open the ore bodies to great depth by drifting into the hill. This condition, together with the large and compact ore bodies, will admit of the most economic mining.

At the most northerly end of the group an outcrop of quartz from 5 feet to 6 feet in width has been discovered. The intervening distance is covered with timber and wash, making it difficult to examine the surface. I believe that by prospecting this area in a systematic manner other ore bodies will be exposed.

In conclusion, to speak in general of the district, I cannot speak too highly of these gold quartz veins that follow so persistently the fissure zone through the granite hills, but what impressed me most is the fact that throughout the great number of outcrops on the various properties there are no barren areas. Wherever you get the quartz you have gold, and from geological conditions, with the facts proven, by development along the belt, there is every assurance of the permanency of these ore bodies in depth, together with their gold values.

A plant for the treatment of the ore can be placed immediately below the property near the creek, where the ore can be delivered by gravity tram at low cost. By controlling the large falls at Surf Inlet unlimited power is assured. Conditions at the falls are such that an electric power can be developed at nominal cost, which can be transmitted to the property, giving cheap and efficient power for both milling and mining.

There is ample timber for all time on the property itself, reducing mill construction and mine timbering to a very low cost.

The low freight and treatment rate on concentrates given by the coast smelters gives this property an advantage over mines of this class in many other parts of the world.

The climatic conditions are good, admitting of working to equal advantage throughout the year.

RECOMMENDATION REGARDING THE ORE TREATMENT.—The treatment of ore of this mine cannot be fully decided at present.

The following suggestions are based on my own knowledge of the character of ore and some sample concentration and amalgamation tests I have had made locally.

Before settling the final details of the process, large samples of the mine product should be submitted to men who are experts on milling and concentration of gold ores. I would advise crushing by stamps with amalgamation and concentration. I believe this simple and old-time process, if properly adjusted to local conditions and supplemented by modern methods of handling the crushed product, will prove best for this ore.

The size of the ore bodies warrants a 20-stamp mill. Such a plant would treat about 60 tons a day. I would expect this amount to yield about 6 tons of concentrates, which would be shipped to the local smelter.

In installing the plant I would advise that 10 stamps be placed in operation first, but the power plant and rock breaker should be large enough for the 20-stamp mill. By installing the 10-stamp first, the ore broken by development can be milled and the producing stage reached at an earlier date.

The water power should be developed at once, and a ten-drill compressor be installed. This will be sufficient capacity to provide for all requirements for some time.

FRED M. WELLS.

Vancouver, B. C., November 4th, 1910.



ENTRANCE TO LOWER TUNNEL

REPORT

BY ANDREW G. LARSON

ON

D. L. S. GROUP OF MINERAL CLAIMS

OWNED BY

THE SURF INLET GOLD MINES, LIMITED

As arranged, I have made an examination of the workings on the D. L. S. group on Princess Royal Island, and submit herewith my conclusions as to conditions there. The group embraces nine Crown granted claims, and the development work has been confined to the Bluff claim.

I may say that the showing up to the present time is favorable, and justifies additional development work as outlined in this report.

Two parallel veins have been opened up by horizontal workings. On what is known as the "Upper" vein a drift has been run for 140 feet; and on the "Lower" vein the drift extends 300 feet. Should the two veins maintain their present strike, it is reasonable to assume they will intersect at a point approximately 100 feet beyond the face of the tunnel in the lower vein. An outcrop at this point carries a promising showing.

The veins evidently contain pay shoots in which the valuable metal occurs to a greater extent than elsewhere in the vein. Development should, therefore, be along the line of opening up these pay shoots and determining their extent. Evidence is forthcoming to indicate that the pay shoots will be encountered on the hanging wall.

The two veins present almost exactly similar characteristics. In both instances drifts were commenced on the footwall, run for some distance in ore of moderate valuable content, then angled in a westerly direction through the vein material into richer ore on the hanging wall. By reference to the assay sheet herewith the variations in assay returns will be readily followed.

It is apparent, conditions in both veins being parallel, that the pay shoots may be expected to occur on the hanging wall side as against the footwall. It is unfortunate in a measure that both drifts were not originally started on the hanging wall, as in my opinion the extent of the present payshoot would have been more clearly defined, as it evidently extends in a southerly direction from the point where the payshoot is intersected by the drift crossing over from the foot wall. Knowledge of this condition will be of material value in determining the future plan of operations, although it would naturally be advisable to investigate conditions on the foot wall from time to time to determine that no payshoots had been passed in that section of the vein while confining the main development work to the hanging wall where the values are found to be higher.

A cross-cut to the west in the lower vein payshoot is in solid ore, and I would recommend continuing this until the hanging wall is encountered with a view to ascertaining the extent of the ore body at this point.

I recommend that the drift in the lower vein be continued to the point where the vein outcrops about 100 feet beyond the present face, or further if developments justify. The drift has evidently passed the boundary of the payshoot at this point, but from the appearance of the outcrop to the north I am disposed to believe an extension of the drift would open a new payshoot.

I also recommend that commencing at the point where the drifts in both veins cross from the foot wall into the hanging wall side, the drifts be extended in a southerly direction toward the original point of entry, but on the hanging wall side. This will demonstrate the extent of the payshoot in that direction, and indications lead me to believe it is quite possible the payshoot may extend all the way to the proposed new adit.

It is further important, in my opinion, that winzes be sunk on the payshoots in both veins to determine the downward continuation of the pay ore. Sinking, in conjunction with the northerly and southerly extensions of the drifts as suggested will open the payshoot on three sides. When this work is sufficiently advanced, the owners will have an adequate idea of their property, which will be of value in determining their policy with respect to equipment and operation.

It will be noted that in what is regarded as the main payshoot in the lower vein, Samples Nos. 3, 4, 5 and 7 (see Assay Sheet) are sufficiently encouraging to justify further development on this shoot.

Concurrent with the foregoing development, I recommend that surface work be done on the south side of the mountain with a view to exposing the outcrop in that direction. In my opinion, no difficulty will be encountered in finding this outcrop. Given satisfactory developments in the present center of activity, the Company would then be wise to consider tunneling from the south side and establishing its main working adit at this point. Additional depth can thus be secured on the vein or veins, a further area of the payshoot can be opened up if it proves to continue over the territory in question, and, decidedly important, a safe base of operations will be established. In my opinion the present drifts cannot be adopted as permanent working openings. The entrances are exposed to snow slides which would be a constant menace to permanent workings and plant and to men engaged therein. On the south side of the mountain these physical disabilities will not be encountered and the additional depth on the veins there obtainable is of importance.

A new drift from the south side of the mountain would also, in my opinion, be quite likely to open new payshoots before reaching those now partly developed. Conditions seem to point to the probability of this being the case, which is further justification for the plan suggested.

I endorse the statement that water power ample for the operation of the property and its reduction works is available.

The transportation problems presenting themselves are well known to your Company, but no doubt exists in my mind that a satisfactory solution can be evolved.

A. G. LARSON.

Vancouver, B. C., June 23rd, 1910.

ASSAYS BY A. G. LARSON

NO. 2, OR LOWER TUNNEL.

Sample No. 1—	Taken 35 ft. to 45 ft. from portal of tunnel, both sides and back.....	\$ 1.60
" " 2—	Taken 50 ft. to 60 ft. from portal of tunnel, width of sample 6 ft.....	9.00
" " 3—	Taken 150 ft. to 160 ft. from portal of tunnel, hanging wall ore shoot, width of sample 6 ft.....	4.40
" " 4—	Taken 160 ft. to 170 ft. from portal of tunnel, hanging wall ore shoot, width of sample 6 ft.....	18.80
" " 5—	Taken 170 ft. to 180 ft. from portal of tunnel, hanging wall ore shoot, width of sample 12 ft.....	10.00
" " 6—	Taken 175 ft. from portal of tunnel, face of west cross-cut	5.00
" " 7—	Taken 180 ft. to 190 ft. from portal of tunnel, hanging wall ore shoot, width of sample 8 ft.....	18.00
" " 8—	Taken 190 ft. to 200 ft. from portal of tunnel, hanging wall ore shoot, width of sample 8 ft.....	1.00
" " 9—	Taken 220 ft. from portal of tunnel, width of sample 4 ft.	6.00
" " 10—	Taken from half of face of east cross-cut, 23 ft. from portal of tunnel, width of sample 3 ft.....	10.00
" " 11—	Taken 260 ft. from portal of tunnel, width of sample 3 ft.	1.20
" " 12—	Taken 10 ft. from tunnel in east cross-cut, 300 ft. from portal of tunnel, width of sample 2 ft.....	1.00
" " 13—	Taken across bottom of west cross-cut, 175 ft. from portal of tunnel.....	9.20

NO. 1, OR UPPER TUNNEL.

" " 14—	Taken from white quartz west of tunnel; outcrop of hanging wall ore shoot, width of sample 18 in.....	\$ 2.00
" " 15—	Taken alongside of Sample No. 14 of oxidized quartz, width of sample 6 ft.....	38.00
" " 16—	Taken 18 ft. to 25 ft. from portal of tunnel, width of sample 5 ft.....	18.00
" " 17—	Taken across the vein, west cross-cut, 100 ft. from portal of tunnel, width of sample 4 ft.....	32.00
" " 18—	Taken from face of tunnel, width of sample 5 ft....	8.60
" " 19—	Taken from surface outcrop above No. 2 Tunnel...	92.00

REPORT

ON

D. L. S. GROUP OF CLAIMS

BY FRED M. WELLS

THE SURF INLET GOLD MINES, LIMITED

Vancouver, B. C., October 1st, 1911.

To The President and Directors of the Surf Inlet Gold Mines, Limited,
Vancouver, B. C.

Dear Sirs:

Since my last report of November, 1910, the following development work has been done:

The main tunnel on the East vein has been extended from 300 feet to 375 feet, following the vein for that distance. In this work we have proven a most remarkable ore body both in size and gold values, in a few feet ahead the ore widened out and became wider than our drift. We continued the tunnel on the footwall throughout this work with full size of tunnel in the ore and have not broken to the hanging wall in this distance. A careful sampling of 50 feet of this drift gave an average value of \$40.00 gold per ton. The lowest assay being \$12.00 and the highest \$96.00. (See pages 20 and 21 for copy of assays.)

Although the vein has not yet been crosscut and the values along the hanging wall known it is safe to figure on the vein being at least 10 feet wide.

This ore body which is here 250 feet from the surface insures beyond doubt the future of the mine, and bears out my first good opinion of the property.

On the West vein the tunnel was advanced a few feet on the vein, showing the ore to continue in that direction and at about 30 feet from the entrance of the tunnel a crosscut was run to the hanging wall, the object being to prove if possible the good ore to be continuous along the hanging wall. In this we were successful, cutting a fine body of rose quartz and iron containing good values and strengthening materially the possibilities of that ore body.

Regarding further developments—if the present course of our two main veins continue they will come together in from 150 to 200 feet ahead. I would suggest that the present tunnel be extended on to the junction of the two veins, and that a crosscut at the same time be made from near present face of tunnel to the West vein. This crosscut may prove a separate ore body lying between, which I believe quite possible to exist.

After reaching the ore in the West vein an upraise should be made connecting with the upper tunnel, which is 200 feet above, and ventilate the mine in this way. Another upraise should be made on the East vein, connecting the main tunnel with the shaft above.

With the completion of work outlined I believe there will be sufficient ore developed in the mine to justify installing a plant of greater capacity than suggested in my first report, the construction of which can be safely proceeded with at once.

FRED M. WELLS.

ASSAYS

FROM GENERAL SAMPLING OF PROPERTY REFERRED TO
IN PROSPECTUS

No.	GOLD ozs. per ton	VALUE per ton
1	3.28	\$65.20
2	2.20	44.00
3	2.70	54.00
4	1.00	20.00
5	0.61	12.20
6	2.10	42.00
7	1.90	38.00
8	1.20	24.00
9	5.80	116.00
10	0.40	8.00
11	0.40	8.00
12	6.30	126.00
13	0.48	9.60
14	0.50	10.00
15	0.30	6.00
16	1.10	22.00
17	1.48	29.60
18	0.54	10.80
19	0.20	4.00
20	0.48	9.60
21	0.25	5.00
22	0.10	2.00
23	0.13	2.60
24	0.36	7.20
25	2.70	54.00
26	0.98	19.60
27	0.70	14.00
28	0.32	6.40
29	0.34	6.80
30	0.34	6.80
31	0.72	14.40
32	0.25	5.00
33	0.75	15.00
34	0.20	4.00
35	4.26	85.20
36	0.50	10.00
37	10.36	207.20
38	0.12	2.40
39	0.05	1.00
40	1.00	20.00

The following Assays are from the fifty feet of drift mentioned in
Mr. Wells' last report.

41	2.21	44.20
42	1.70	34.00
43	1.12	22.00
44	3.20	64.00
45	2.80	56.00
46	2.40	48.00
47	3.60	72.00
48	1.40	28.00
49	1.40	28.00
50	2.40	48.00

No.	GOLD ozs. per ton	VALUE per ton
51	1.64	\$32.80
52	3.20	64.00
53	2.80	56.00
54	2.40	48.00
55	3.60	72.00
56	1.40	28.00
57	1.40	28.00
58	2.40	48.00
59	1.64	32.80
60	2.20	44.00
61	0.80	16.00
62	1.05	21.00
63	0.60	12.00
64	0.60	12.00
65	2.90	58.00
66	3.40	68.00
67	3.60	72.00
68	2.80	56.00
69	3.60	72.00
70	1.45	29.00
71	1.08	21.60
72	1.90	38.00
73	1.65	33.00
74	1.85	37.00
75	4.80	96.00
76	1.20	24.00
77	0.80	16.00
78	1.50	30.00
79	0.75	15.00
80	1.40	28.00
81	4.22	84.40
82	2.30	46.00
83	0.92	18.40
84	2.50	50.00
85	1.00	20.00
86	4.30	86.00
87	1.40	28.00
88	1.52	30.40
89	0.90	18.00

Gold calculated at \$20.00 per oz.

(Signed) J. O'SULLIVAN, F. C. S

Provincial Assayer.